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AUG 7 1992

August 7, 1992

Ms. Donna Searcy, Secretary
Federal Communications Commission
1919 M Street, N.W.
Washington, D.C. 20554

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Re: **ERRATA TO NARUC'S AUGUST 3, 1992 FILING**
In the Matter of Billed Party Preference for 0+
InterLATA Calls (CC Docket No. 92-77)

Dear Ms. Searcy:

On August 3, 1992, NARUC filed a letter discussing its most recent (July 1992) resolution on Billed Party Preference. Both the text of the resolution attached to that filing and the comments filed discussing that text FAILED TO INCLUDE IMPORTANT CLARIFYING LANGUAGE. Without this additional language, the FCC could easily misconstrue NARUC's position. I HAVE ATTACHED A COPY OF THE CORRECT VERSION OF THE RESOLUTION WITH THE NECESSARY LANGUAGE CHANGES included IN CAPITALS AND BOLDFACE TYPE. In addition, both the changes and the original text of the resolution are discussed below.

In July 1989, NARUC passed a resolution supporting BPP in concept, subject to a cost/benefit determination. Because of the lack of certain clarifying language in NARUC's August 3, 1992 letter, NARUC wishes to make clear that, although it continues to "support in principle [the idea of] nationwide BPP" it needs additional details concerning, inter alia, the costs of BPP implementation to decide if it can support implementation as in the public interest. Specifically, the July resolution states that:

NARUC RESERVES JUDGEMENT ON SUPPORTING BPP IMPLEMENTATION UNTIL THERE IS A MORE CONCRETE DETERMINATION OF THE COSTS AND ON THE SPECIFICS OF IMPLEMENTATION...

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Accordingly, the resolution suggests that

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THE FCC SHOULD INITIATE A FURTHER NOTICE OF PROPOSED RULEMAKING PRIOR TO ANY ACTION ON BPP...

NARUC also contends that all reasonable measures should be taken

- (i) to prevent fraud with BPP, and
- (ii) **TO FAIRLY ASSIGN RELATED COSTS AND RESPONSIBILITIES AMONG THE DIFFERENT JURISDICTIONS AND CARRIERS.**

Also, as noted in the August 3, 1992 letter, NARUC also believes that if BPP is implemented, there are numerous administrative details to resolve, such as:

- o methods for end users to presubscribe to OSPs;
- o policies for billing for calls placed on foreign-used calling cards and for calls billed to an end user in a foreign country;
- o the manner to route calls when a preselected OSP does not serve the geographic area in which the call is being placed;
- o consideration of mechanisms for payphone operator compensation; and
- o consideration that LEC costs of interstate BPP be kept separate (as with equal access charges) and recovered through interstate charges to OSPs.

In the suggested NPRM, the FCC should analyze the issues discussed above and also:

- o Examine how the FCC should work with the states to coordinate federal and state policies;
- o Make specific rule proposals; and
- o Adequately address the issues of the mechanics of and costs of implementation and recovery of costs.

The Resolution also makes clear that NARUC believes that

- o Access code dialing **AND THE USE OF PROPRIETARY CARDS**, should continue to be an available option and not be completely replaced by BPP;

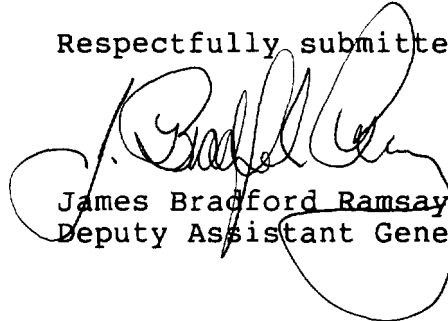
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- o The FCC should require payphone owners to enable their "smart" payphones to handle BPP within a reasonable time of the release of any FCC order adopting interstate BPP.

NARUC respectfully requests that the Commission carefully examine and implement the proposals described in this letter.

Respectfully submitted,



James Bradford Ramsay
Deputy Assistant General Counsel

Attachments

RESOLUTION REGARDING BILLED PARTY PREFERENCE

WHEREAS, the Federal Communications Commission (FCC) is considering implementing Billed Party Preference (BPP), a method for end users to access an operator service provider (OSP) that they would preselect for 0+ interLATA calls; and

WHEREAS, an end user would be able to preselect an OSP different from the end user's presubscribed 1+ interLATA interexchange carrier; and

WHEREAS, at present, end users making 0+ interLATA calls find it necessary, in order to reach their OSP of choice, either to dial access codes all the time or determine in each instance whether an access code is necessary and then dial it if it is; and

WHEREAS, BPP would help alleviate end user confusion over access codes, or ways to access their chosen OSP, and BPP could help lessen the instances where the OSP presubscribed to a payphone prohibits an end user from using his/her chosen OSP; and

WHEREAS, even with BPP, some end users may prefer to continue to dial access codes **OR USE PROPRIETARY TELEPHONE CARDS**; and

[The following language was included in the resolution attached to the August 3, 1992 filing. This language should be DELETED: "WHEREAS, the FCC's current Notice of Proposed Rulemaking (NPRM) has estimated the cost for BPP systems to be as low as \$50 million to as high as \$560 million and the FCC has sought further comment on the costs of establishing BPP; and "]

WHEREAS, COMMENTS HAVE BEEN FILED BY NUMEROUS PARTIES IN THE PENDING FCC PROCEEDING THAT INDICATE COSTS OF BPP WILL BE APPROXIMATELY A BILLION DOLLARS; and

WHEREAS, the National Association of Regulatory Utility Commissioners (NARUC) adopted a resolution in July 1989 which supported BPP in concept, **SUBJECT TO A COST/BENEFIT DETERMINATION, AND** supported not allowing payphone providers to override BPP if BPP were implemented; and

WHEREAS, the FCC NPRM does not contain proposed rules and appears to contemplate FCC rules for all interLATA calls, including intrastate calls; and

WHEREAS, the FCC does not have jurisdiction over intrastate billed party preference; and

WHEREAS, if BPP is implemented, there are numerous administrative details to resolve, such as:

- o methods for end users to presubscribe to OSPs;

- o policies for billing for calls placed on foreign-used calling cards and for calls billed to an end user in a foreign country;
- o the manner to route calls when a preselected OSP does not serve the geographic area in which the call is being placed; and
- o consideration OF a mechanism for payphone operator compensation; and
- o consideration that LEC costs of interstate BPP be kept separate (as they do equal access charges) and recovered through interstate charges to OSPs; and therefore be it

RESOLVED, that **WHILE THE EXECUTIVE COMMITTEE OF THE NARUC**, assembled at its 1992 Summer Meeting in Seattle, Washington, supports in principle nationwide BPP with simple and uniform dialing requirements, offered by all local exchange carriers (LECs) and available for all 0+ interLATA calls, **NARUC reserves judgment on SUPPORTING BPP IMPLEMENTATION UNTIL THERE IS A MORE CONCRETE DETERMINATION OF THE COSTS AND**, ON the specifics of implementation at this time; and be it further

RESOLVED, that the FCC should initiate a Further Notice of Proposed Rulemaking, **PRIOR TO ANY ACTION ON BPP**, that would: (1) consider how the FCC would work with the states to coordinate federal and state policies; (2) consider the specific policy proposals contained in this resolution; and (3) would make specific rule proposals; (4) adequately address the issues of the mechanics of and costs of implementation and recovery of costs; and be it further

RESOLVED, that access code dialing **AND THE USE OF PROPRIETARY TELEPHONE CARDS** should continue to be an available option and not be completely replaced by BPP; and be it further

RESOLVED, that the FCC should require payphone owners to enable their "smart" payphones to handle BPP within a reasonable time of the release of a FCC order adopting interstate BPP; and be it further

RESOLVED, that all reasonable measures should be taken to prevent fraud with BPP, and **TO FAIRLY ASSIGN RELATED COSTS AND RESPONSIBILITIES AMONG THE DIFFERENT JURISDICTIONS AND CARRIERS**; AND be it further

RESOLVED, the NARUC General Counsel shall file comments and other documents supporting the policies of this resolution in the appropriate forums.